MANITOBA
CHILD AND FAMILY POVERTY
REPORT CARD 2006

Back to the Future: Approaching 1989

A Report on Indicators of Family Poverty in Manitoba
from the Social Planning Council of Winnipeg

BACK TO THE FUTURE: APPROACHING 1989

Seventeen years after the 1989 resolution to end child poverty in Canada, Manitoba might finally be making progress. On many indicators there appear to be declines from 2003 and the highs in the 90s, but at best Manitoba seems well positioned to permanently return to the 1989 levels.

It is too early to tell whether the improvements will translate into significant long terms reductions in the rate of poverty among families and their children, or whether 2004 is indicative of a one year variation. We do know, however, that Manitoba must be vigilante if improvement is to be maintained. Seventeen years has shown us that provinces are vulnerable to losing ground and falling behind when they fail to make investments in social programs and services and when the labour market does not make work pay.

2004 shows us that government decisions to invest or not invest make a difference in poverty levels and play a great role in determining the health and well being of individuals, families, and children. One thing is certain. We need a government that not only envisions a future free of poverty, but that has the will to make it a thing of the past.

SOCIAL PLANNING COUNCIL OF WINNIPEG

The Social Planning Council of Winnipeg (SPC) is a membership based organization in the voluntary sector committed to providing leadership in social planning and effecting social policy changes.

This involves working with diverse communities in identifying and assessing community issues, needs and resources; and working with policy-makers, funding agencies, service providers, ethnocultural and Aboriginal groups, and the general public in Winnipeg to respond to socio-economic issues and needs.

The Manitoba Campaign 2000 Network is a coalition of over 100 organizations, organized under the sponsorship of the Social Planning Council of Winnipeg, dedicated to the support of Campaign 2000 initiatives within Manitoba.

"This House...seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000."

-Unanimous all party resolution in the House of Commons November 24, 1989

CAMPAIGN 2000

Campaign 2000 is a non-partisan, cross-Canada coalition of over 70 national, provincial and community partner organizations, including the Social Planning Council of Winnipeg.

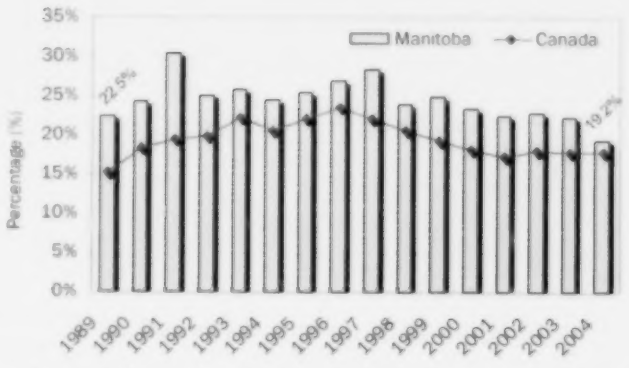
Campaign 2000 evolved out of a unanimous Resolution passed by the Canadian House of Commons in November, 1989, which called for the elimination of child poverty in Canada by the year 2000.

In 1991, a broad coalition of national, provincial and local partners came together as Campaign 2000, in order to promote and secure the full implementation of the House of Commons Resolution.

CHILD POVERTY RATE

In 2004, there were 49,295 Manitoba children living in families that fell below the Low Income Cut Off. Manitoba's child poverty rate in 2004 was 19.2 percent; an improvement from the rate of 22.3 percent in 2003. The 2004 rate is, in fact, the lowest it has been since the 1989 when the rate was 22.5% and the first time since 1989 that Manitoba's rate has fallen below 20 percent. It is important to note, however, that the 2004 rate is only three percentage points lower than the rate in 1989 and does not show much improvement after seventeen years.

Figure 1: Percentage of Children under 18 Below LICO, Canada and Manitoba 1989-2004



Source: Statistics Canada Survey of Labour and Income Dynamics (SLID) Masterfile, via Remote Access

For the first time since 1989, Manitoba was not among the three provinces with the highest rate of child poverty. Since 1989 Manitoba has ranked in the bottom three every year and has been the child poverty capital of Canada a total of 6 times in 17 years.

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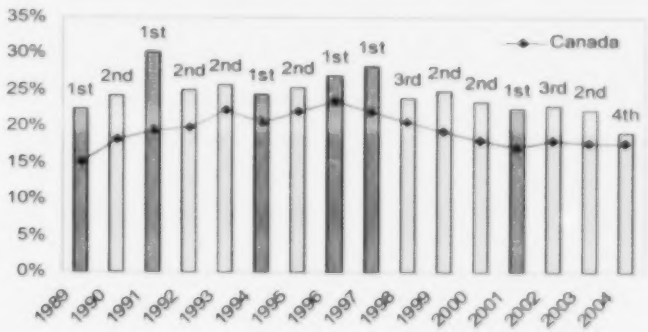
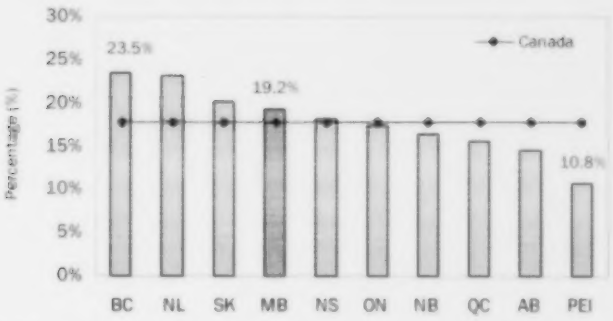
Figure 2: Manitoba National Child Poverty Ranking, 1989-2004



Source: Statistics Canada Survey of Labour and Income Dynamics (SLID) Masterfile, via Remote Access

In 2004, British Columbia, Newfoundland and Labrador, and Saskatchewan were the three provinces with the highest rates of child poverty (over 20%) putting Manitoba in fourth position. The improvement in provincial ranking can be attributed in part to the worsening situation in other provinces – both Saskatchewan and Newfoundland and Labrador experienced increases in their child poverty rates between 2003 and 2004. Despite Manitoba's improvement in the provincial standings, the child poverty rate remained one and a half percentage points above the national average of 17.7% in 2004.

Figure 3: Child Poverty Rate by Province, 2004



Source: Statistics Canada Survey of Labour and Income Dynamics (SLID) Masterfile, via Remote Access

CHILD POVERTY AMONG FIRST NATIONS PEOPLE

It is important to note that the child poverty rate does not include children living in First Nations communities. Past Manitoba Child and Family Report Cards have highlighted the overrepresentation of Aboriginal and First Nations children and families among those living in poverty. According to the 2001 Census, there were 24,390 children in census families living in First Nations communities in Manitoba. With an average income in First Nations communities in Canada between $6,400 and $7,900, it is reasonable to suggest that were these children included; Manitoba's child poverty rate would be significantly higher.

A new plan to make poverty history among First Nations in Canada was unveiled by the Assembly of First Nations. In their report, *Make Poverty History for First Nations* (2006), the following statistics were outlined:

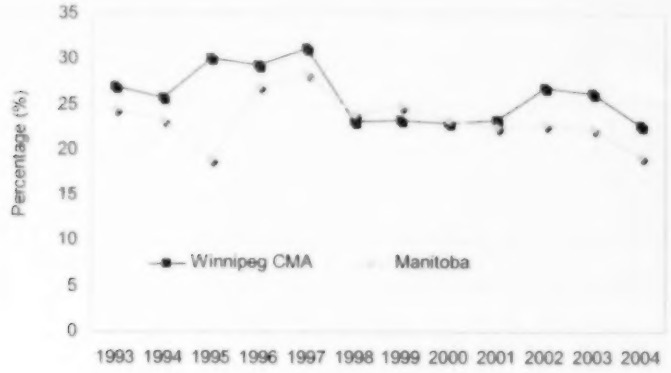
It is important to note that the child poverty rate does not include children living in First Nations communities... it is reasonable to suggest that were these children included; Manitoba's child poverty rate would be

- First Nations people are the fastest growing population in Canada.
- 1 in 4 First Nations children live in poverty, compared to 1 in 6 Canadian children.
- Most First Nations (80%) peoples have personal incomes below $30,000 per year. Half of all households have total household incomes below that level.
- More than half of First Nations peoples are not employed.
- High school completion among First Nations youth is half the Canadian rate. At the current rate, it will take 28 years for First Nations to catch-up to the non-Aboriginal population.
- The rate of disabilities among First Nations children (about 1 in 8) is almost double the rate among Canadian children.
- Suicide accounts for 38% of all deaths for First Nations youth aged 10-19.
- First Nations have limited access to affordable housing: 73% are in core housing need, most are spending more than the standard of 30% of their income on rent.
- Over one third of households with children are overcrowded
- Applying the United Nations Human Development Index would rank First Nations communities 68th among 174 nations. Canada has dropped from first to eighth due, in part, to the housing and health conditions in First Nations communities.

POVERTY IN URBAN CENTRES

The child poverty rate for Winnipeg is generally higher than the rate for the province as a whole, but shows a similar long term trend in terms of child poverty rates as can be seen in the graph below. In 2004, Winnipeg's rate of 22.6% placed it slightly higher than the provincial rate. It may be the case that the rate for Winnipeg is more indicative of the actual rate for the province after First Nations Communities are included.

Figure 4: Child Poverty Rate, Manitoba and Winnipeg CMA, 1993 - 2004

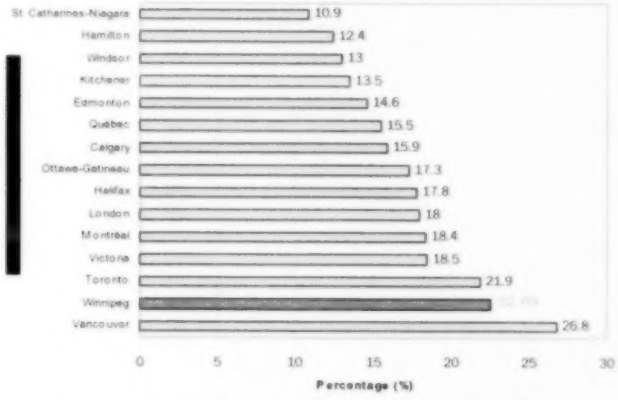


Source: Statistics Canada *Income Trends in Canada 1980-2004*, Cat. 13F0022Xcb.

In 2004, Winnipeg's rate of 22.6% placed it slightly higher than the provincial rate.

When compared to fifteen other major Census Metropolitan Areas (CMAs), Winnipeg had the second highest child poverty rate in 2004. Winnipeg's rate was higher than many major Canadian cities such as Toronto, Ottawa, Calgary, and Montreal. Only Vancouver had a higher rate at 26.8%.

Figure 5: Child Poverty Rate by Census Metropolitan Area (CMA), 2004



Source: Statistics Canada *Income Trends in Canada 1980-2004*, Cat. 13F0022Xcb.

CHILD POVERTY BY AGE

In Manitoba, poverty rates are higher among younger than older children. In 2004, one quarter of children (25.2%) aged five and younger lived in poverty compared to 16.6% for older children aged 6-17. The rate of poverty was particularly high among children between the ages of 3-5 in Manitoba at 28.2%.

According to the last census, 28.2% of Winnipeg children under six years of age were living in low income in 2000. This age group had the highest rate of poverty in Winnipeg followed by adults 70 years of age and older. When compared to all other Census Metropolitan Areas, Winnipeg had the highest rate of children under six years of age living in low income in 1990, 1995, and 2000.

It is well known that the preschool years are of critical importance for child development and can set the stage for outcomes later in life in terms of education, income, employment, overall health and quality of life. The high rate of poverty among this age group is cause for concern and speaks to the need for further investment in early learning and child care supports and programming in Manitoba.

CHILD POVERTY BY FAMILY TYPE

Most children living in poverty in Manitoba live in two parent families (65%). While a smaller proportion (33%) lives in female lone parent families, the rate of poverty for this family type is much higher. For example, in 2004 the poverty rate among children in female lone parent families was three times higher than children living in two parent families (47.6% versus 15.4%).

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Table 1: Child Poverty Rate and Number, Family Type, Manitoba 1989 and 2004

Family Type	1989		2004		1989-2004
	Rate	Number	Rate	Number	Rate Change
Two Parent	15.6%	36,000	15.4%	32,000	-1.3%
Female Lone Parent	68.9%	23,000	47.6%	16,000	-30.9%

Source: Statistics Canada *Income Trends in Canada 1980-2004*, Cat. 13F0022Xcb.

The higher incidence of poverty among female lone parent families speaks to women's lower economic status and their overrepresentation among the poor. For example in 2004:

- *The average total income for women in Manitoba was $28,500 compared to $38,100 for males – a difference of nearly $10,000.*
- *The average earnings of females who worked in a full time job for the whole year were $33,700 compared to $43,600 for males.*
- *Finally, 17.1% of women earners made under $5,000 compared to 13.3% of men. Alternately, only5.8% of women earned more than $60,000 compared to 15.7% of men.*

Source: Statistics Canada, Survey of Labour and Income Dynamics and Survey of Consumer Finances.

The rate of poverty among female lone parent families in Manitoba has improved substantially since 1989 when it was an astonishing 70%. Between 2003 and 2004, however, their poverty rate increased slightly from 46.8% to 47.6%. While minor, this increase reversed a five year trend of decline between 1998 and 2003, which saw the rate of poverty among female lone parent families in Manitoba decrease by approximately 36%.

Among two parent families with children, poverty rates fell from 19.0% in 2003 to 15.4% in 2004. Unlike female lone parent families where the poverty rate has improved substantially from 1989, poverty rates among two parent families have remained fairly stable. For example, in 1989 the poverty rate of 15.6% was virtually identical to the rate of 15.4% in 2004.

Figure 6: Child Poverty Rate by Family Type, Manitoba 1989-2004

Source: Statistics Canada *Income Trends in Canada 1980-2004*, Cat. 13F0022Xcb.

In 2004 the poverty rate among children in female lone parent families was three times higher than children living in two parent families (47.6% versus 15.4%).

PROVINCIAL COMPARISON

In 2004, Manitoba had the third highest rate of poverty among two parent families compared to the other provinces. On the other hand, Manitoba had the third lowest rate of poverty among female lone parent families – only Prince Edward Island and Quebec had lower rates (32.9% and 39.9% respectively).

Table 2: Percentage of Children under 18 living below LICO by Family Type, Canada and Provinces, 2004

Province	Two Parent Families	Female Lone Parent Families	Total Families with Children
Newfoundland and Labrador	15.8%	62.7%	23.1%
Prince Edward Island	5.8%	32.9%	10.8%
Nova Scotia	9.9%	50.2%	18.1%
New Brunswick	9.2%	57.7%	16.5%
Quebec	10.6%	39.9%	15.6%
Ontario	11.4%	54.6%	17.4%
Manitoba	**15.4%**	**47.6%**	**19.2%**
Saskatchewan	11.6%	57.3%	20.1%
Alberta	9.0%	54.2%	14.5%
British Columbia	16.2%	62.8%	23.5%
Canada	11.6%	52.1%	17.7%

Source: Statistics Canada *Income Trends in Canada 1980-2004*, Cat. 13F0022Xcb.

DEPTH OF POVERTY

On average, low income families with children in Manitoba live far below the poverty line. In 2004, the average two parent family in Manitoba needed $10,100 per year just to reach the poverty line. The average female lone parent family required $9,400 per year.

The average depth of poverty for both family types has not improved significantly over the years. In 2004, two parent families were deeper in poverty than they were in 1989 when they required, on average, $9,800 to reach the poverty line. Female lone parent families have seen an improvement in the depth of poverty they experience. In 1989 these families required, on average, more than $12,000 per year to reach the poverty line.

As the graph below shows, however, in 2003 the average low income gap for female lone parent families was $12,000 – nearly at the 1989 level.

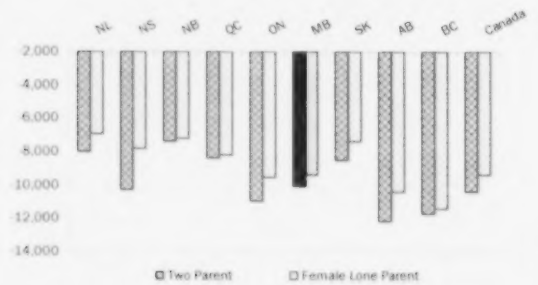
Figure 7: Average Depth of Poverty by Family Type, Manitoba 1989-2004

Source: Statistics Canada *Income Trends in Canada* Table 804

On average, low income families with children in Manitoba live far below the poverty line.

The depth of poverty among two parent families in Manitoba was slightly lower than the national average of $10,400 in 2004. Female lone parents had the same depth as the national average ($9,400).

Figure 8: Average Low Income Gap by Family Type, Provinces 2004



Source: Statistics Canada *Income Trends in Canada* Table 804
*Data for PEI not available

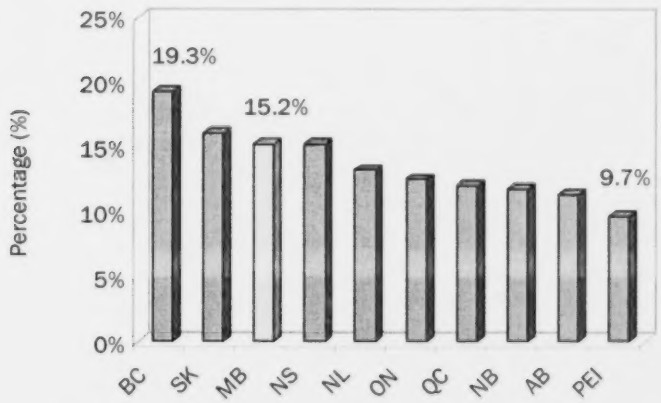
LABOUR MARKET SECURITY: Falling Fortunes of Families with Children

Having a job is important to help families avoid poverty, but it is not guaranteed, particularly if the jobs pay low wages or offer few hours. The majority of children living in poverty in Manitoba are in families that work. In 2004, 67% of low income children were in families who received some income from employment – whether it was from part time, full time, part year or full year work – yet still fell below the Low Income Cut Off. Further, more than one-third (37.8%) of low income children lived in families that had a full time full year worker in 2004.

The poverty rate for Manitoba children in families with some employment income was 15.2% in 2004, placing it third after British Columbia and Saskatchewan. Manitoba's rate showed improvement from 2003 when it was nearly 19% and the highest among provinces. Both British Columbia and Saskatchewan experienced increases in their rates between 2003 and 2004, which can partly explain Manitoba's interprovincial improvement.

Figure 9: Proportion of Low Income Children in Families with Some Employment Income, by Province 2004

The majority of children living in poverty in Manitoba are in families that work.



Source: CCSD using Statistics Canada's SLID Masterfile, 2004

The likelihood of living in poverty is greater when a family does not have a full time, full year worker. In Manitoba the rate of poverty among children in families without a full time full year worker has been as high as 50% (1994 and 1997), but between 2003 and 2004, the rate improved from 37.6% to 35.1%.

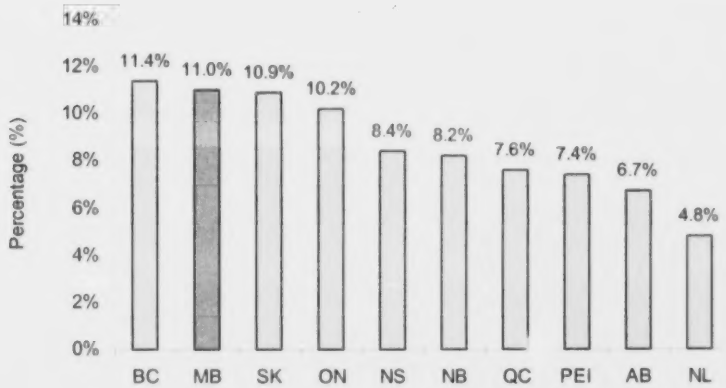
Even with full time, full year employment, however, many families struggle to make ends meet. In 2004, as Figure 10 shows, Manitoba had a high proportion (11.0%) of low income children in families in which there were earnings from a full time job for the whole year, yet still fell below the Low Income Cut Off.

Figure 10: Proportion of Low Income Children in Families With and Without a Full Time Full Year (FTFY) Worker, Manitoba 1993-2004

Source: CCSD using Statistics Canada's SLID Masterfile, 2004

Since 1993, Manitoba has had the highest proportion of low income children in families working full time for the full year when compared to other provinces with the exception of 1993, 1994, and 2004. While Manitoba's rate decreased by three percentage points between 2003 and 2004 (from 14.0% to 11.0%), British Columbia increased from 10.5% to 11.4% – putting it ahead of Manitoba for the first time in more than a decade.

Figure 11: Proportion of Low Income Children in Families with Full Time Full Year Employment, Provinces, 2004



Source: CCSD using Statistics Canada's SLID Masterfile, 2004

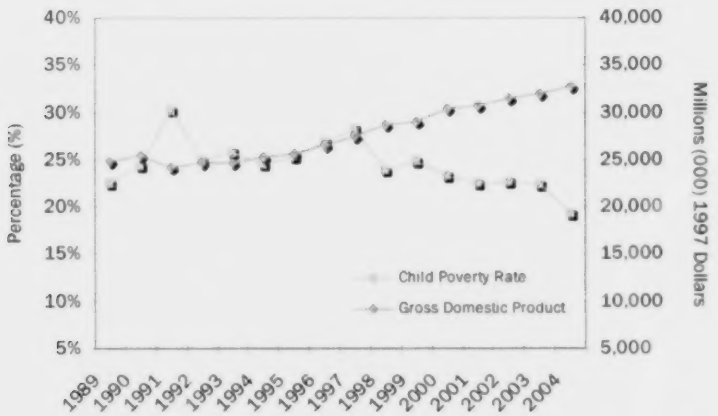
Manitoba had a high proportion (11.0%) of low income children in families in which there were earnings from a full time job for the whole year, yet still fell below the Low Income Cut Off.

These data illustrate that Manitoba's labour market is not strong enough to keep families out of poverty. The high proportion of low income children in families with a full time worker suggests that low wages are keeping preventing families from attaining economic security.

CHILD POVERTY AND ECONOMIC GROWTH

In the past there has appeared to be an inconsistent relationship between economic growth as measured by the provincial Gross Domestic Product (GDP) and reductions in rates of child poverty. For example, between 1994 and 1997, the child poverty rate increased during times of strong economic growth as illustrated in the graph below. Between 1999 and 2004, however, the child poverty rate decreased (with the exception of a slight increase in 2002) as GDP increased, which suggests a positive relationship.

Figure 12: Child Poverty Rate and Gross Domestic Product, Manitoba 1989-2004



Source: Manitoba Bureau of Statistics and Statistics Canada Survey of Labour and Income Dynamics (SLID) Masterfile, via Remote Access

Government social policy, particularly in the form of public services and income transfers to families play a critical role in preventing and reducing rates of poverty among Canadian families.

Despite the apparent connection since 1999, substantial poverty remains, which suggests that while economic growth is helpful, it is not enough to have a significant impact on reducing child and family poverty. Government social policy, particularly in the form of public services and income transfers to families play a critical role in preventing and reducing rates of poverty among Canadian families.

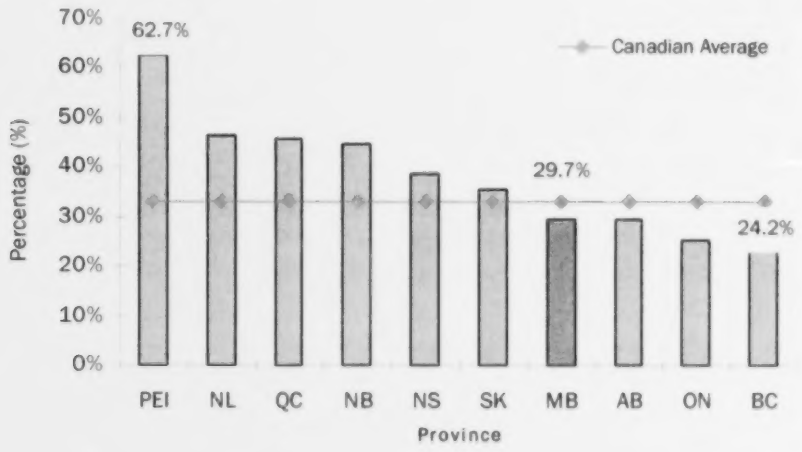
GOVERNMENT TRANSFERS

The average market income before government transfers for families with children below the Low Income Cut Off was $12,058 in 2004. After government transfers, the average total income for families with children below the Low Income Cut Off was almost double at $23,174.

In 2004, government transfers prevented 30% of Manitoba families with children from falling below the Low Income Cut Off. This represents 9,400 families. Without these transfers, there would have been 31,600 low income families in Manitoba and the child poverty rate would have been 23.5%.

Government transfers include all direct payments from federal and provincial governments to individuals or families. For example: Child tax benefits; Canada Pension Plan/Quebec Pension Plan benefits; Old Age Security and Guaranteed Income Supplement/Spouse's Allowance; Employment Insurance benefits Employment and Income Assistance; Workers' Compensation benefits; GST/HST Credit; Provincial/Territorial tax credits

Figure 13: Proportion of Market Poor Families Prevented from LICO Poverty by Government Transfers, Canada and provinces, 2004



Source: CCSD using Statistics Canada's SLID Masterfile, 2004

In 2004, government transfers prevented 30% of Manitoba families with children from falling below the Low Income Cut Off.

Nationally in 2004, government transfers prevented 33% of Canadian families with children from falling into poverty. At 29.7%, Manitoba fell below the national average. In fact, six provinces performed better than Manitoba in this regard. This suggests that the provincial and federal governments could be doing a better job at preventing Manitoba families from living in poverty by providing more income supports to those at or below the poverty line.

INCOME INEQUALITY: The Growing Social Divide

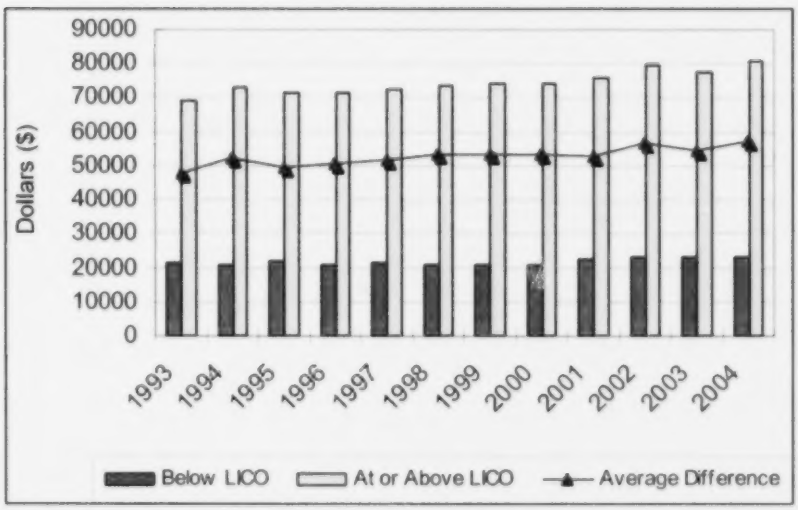
By improving incomes of low income families with children, government transfers also work to reduce the income gap between those below and those at or above the Low Income Cut Offs. For example, in 2004 the average market income (e.g. earnings) before government transfers for families with children below the LICO was $12,058 compared to $76,267 for those at or above the LICO for an average difference of $64,209. After government transfers, the average difference decreased by $6870. Even after government transfers, however, the gap in average income between those below and those above LICO was an astounding $57,339 in 2004.

Table 3: Average Market Income and Average Total Income, by LICO Status, Manitoba, 2004

	Families Below LICO	Families At or Above LICO	Average Difference ($)
Average Market Income Before Transfers	$12,058	$76,267	- $64,209
Average Total Income (before taxes and after transfers)	$23,174	$80,513	- $57,339
Average Difference	+$11,116	+$4,246	-$6,870

Source: Statistics Canada Survey of Labour and Income Dynamics (SLID) Masterfile, via Remote Access

Figure 14: Average Total Income Below and Above LICO, Families with Children, 1993-2004 (Constant 2004 Dollars)



Source: Statistics Canada Survey of Labour and Income Dynamics (SLID) Masterfile, via Remote Access

"76% of Canadians believe the gap between the rich and the poor has widened over the past 10 years...despite the fact that Canada's economy has been thriving".

-Growing Gap, Growing Concerns (2006), Canadian Centre for Policy Alternatives)

Income inequality speaks to how income is distributed across different income groups. It is measured by ranking families according to their incomes, from the lowest to the highest, then dividing them into ten groups of equal number to create income deciles. For example, the lowest income decile includes the poorest 10% of families while the highest decile includes the richest 10% of families.

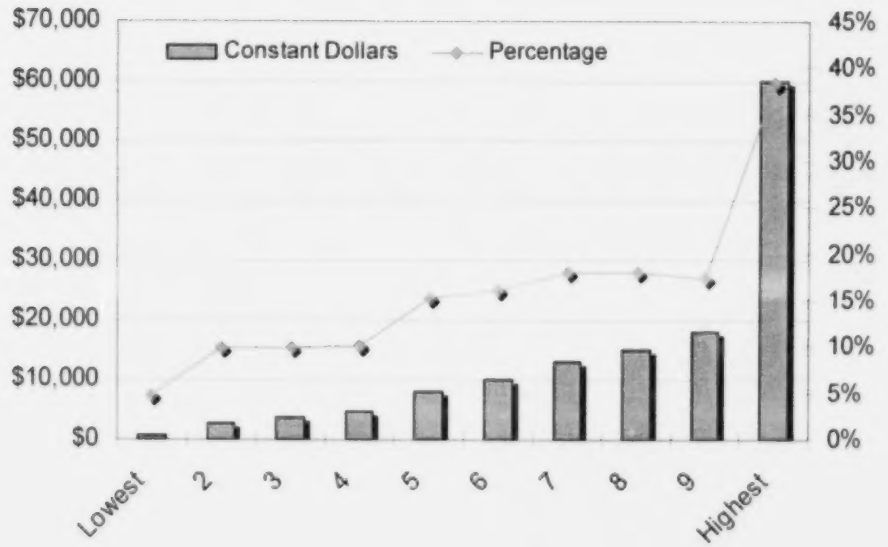
When we look at how income is distributed among income decile groups, the income gap becomes more apparent. In 2004, the 10% of families with children in the lowest income decile had an average income of $16,191 compared to an average income of $217,074 for the 10% in the highest income decile.

This means that families in the highest income decile made, on average, $1,899 more in one month than the poorest 10% of families made in an entire year. Or to look at it another way, for every $1 of income for the poorest families in Manitoba in 2004, the wealthiest families had more than $13.

Over the past decade, this gap between the poorest and richest families with children has increased in constant dollars. In 1993, the difference between the average income of the 10% of families with children in the lowest and highest income deciles was $141,455. In 2004 this difference had increased to $200,883.

As the graph below shows, between 1993 and 2004, the average income of the poorest 10% of families increased by 4.7% or $734. In comparison, the average income of the richest 10% of families increased by 38.3% or $60,162.

Figure 15: Increase in Average Income by Income Decile, 2004 Constant Dollars, 1993-2004, Manitoba



For every one $1 of income for the poorest families in Manitoba in 2004, the wealthiest families had more than $13.

Source: CCSD using Statistics Canada's SLID masterfile (1993-2004). Deciles are based upon total family income after transfers and before taxes.

INCOMES OF FAMILIES WITH CHILDREN

MINIMUM WAGE

At Manitoba's current (2006) minimum wage of $7.60/hour, a parent working full time for the full year would earn $13,680/year. To reach the poverty line:

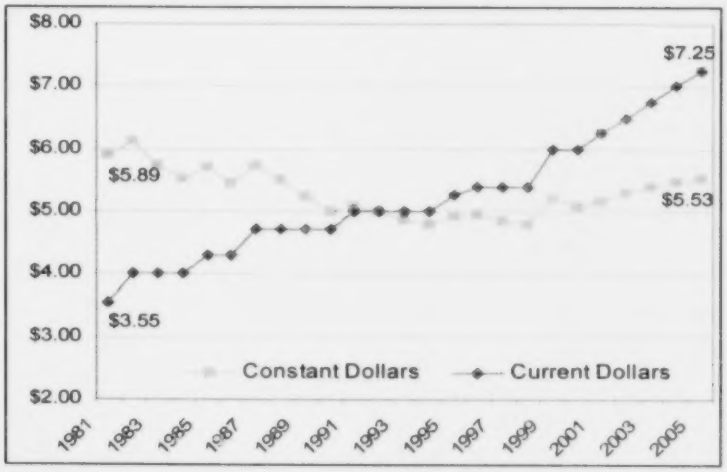
- A single parent with one child would need to work 65.45 hours/week (13 hours/day) or earn $13.27/hour; and
- A two parent family with one child would need to work 80.47 hours/week (16 hours/day) or earn $16.30/hour.

In 2005, average hourly earnings for hourly paid employees in Manitoba were $16.53. Manitoba had the second lowest average hourly earnings of all the provinces. Only PEI had lower average hourly earnings at $14.65.[7] *At 7.25/hour, minimum wage workers earned less than half per hour than the average hourly paid employee.*

In 2005, 4.9% (23,900) of Manitoba employees earned the minimum wage, the majority of whom were women. At 4.9%, Manitoba was slightly higher than the Canadian average and at the same level as 2004. It is important to note that a higher proportion, 23.3%, of Manitobans work for less than $10/hour, which is the amount needed to bring a single full time worker to the poverty line. Nearly half of those earning less than $10/hour are adults 25 years of age or older.[8] As can be seen in the graph below, Manitoba's minimum wage has lost considerable ground over the years. In 2005 the minimum wage was worth $5.53 (in constant 1992 dollars), which was lower than its value in 1981 when it was worth $5.89.

23.3% of Manitobans work for less than $10/hour.

Figure 16: Manitoba's Minimum Wage Current and Constant Dollars (1992 base) 1981-2005



Source: Calculations performed by the Social Planning Council of Winnipeg using Statistics Canada data provided by the Manitoba Bureau of Statistics

Regular annual increases have improved Manitoba's minimum wage by $0.45 since 2000, but the low level of increases have not been enough to bring it back to its 1981 value. Continued and more substantial increases along with indexation to inflation are needed to ensure that the incomes of the lowest wage earners are not eroded over time. The minimum wage is scheduled to increase from the current $7.60/hour to $8.00/hour in April 2007. This increase of $0.40 may bring the minimum wage even closer to, if not beyond, the 1981 value.

EMPLOYMENT AND INCOME ASSISTANCE

In 2005, there were an estimated 25,400 children in families receiving social assistance in Manitoba; the majority (77%) in lone parent families. In 2005, a single parent with one child received a total welfare income (including benefits) of $13,282, which represented 51% of the poverty line. A two parent family with two children received $20,357, again, only 53% of the poverty line.

In Manitoba, in 2005, it was estimated that the average income among couples with two children was $80,534.[9] This means that a couple with two children on welfare received approximately one quarter of the income of the average two parent family in Manitoba

Table 4: Welfare Incomes by Family Type, Manitoba 2005

Welfare Income	Single Parent, One Child	Two Parent, Two Children
Basic Social Assistance	$9,636	$14,057
Federal Child Tax Benefit	$3,076	$5,451
Additional Benefits	$0	$160
Provincial/Territorial Child Benefits	$0	$0
Federal GST Credit	570	$689
Total Welfare Income	$13,282	$20,357
Welfare Income as % of Poverty Line	51%	53%

Source: National Council of Welfare (2006). *Welfare Incomes 2005*.

In 2005, a single parent with one child received a total welfare income... which represented 51% of the poverty line.

Not only are social assistance rates well below the poverty line, but they are shrinking over time due to years of neglect when welfare rates have been cut, frozen, and not indexed to increases in the cost of living. As Table 5 shows, welfare incomes were higher for both family types in 1989 than 2005 in constant dollars. Welfare incomes peaked in Manitoba in 1992. Since that time, incomes for couples with two children have decreased in actual purchasing power by 21.4%.[10]

Table 5: Total Welfare Income (after transfers) in 2005 Constant Dollars, Manitoba

	1989	1992	2005	% Change 1989-2005	% Change 1992-2005
Lone Parent, One Child	$14,269	$15,630	$13,282	-6.9%	-15.0
Couple, Two Children	$24,450	$25,912	$20,357	-16.7%	-21.4%

Source: National Council of Welfare (2006), *Welfare Income 2005*.

The low level of income for families on social assistance means that many are unable to meet even the most basic necessities of life, such as food and shelter. Currently, Employment and Income Assistance recipients often cannot secure adequate housing without reallocating funds for other basic needs.

Zeynep's Story *- Zeynep is in her mid-thirties and the mother of four school aged kids. She arrived in Canada as a status refugee two years ago after she was forced to flee her home country. Zeynep's husband died back home and her extended family live in her country of origin. When she first arrived she moved into a two bedroom apartment in the inner city. Little did she know that this apartment would be unsafe and inadequate. The walls of the apartment were wet and moldy, drunken people would knock on her door and fall asleep beside it. Now she is living in a new neighbourhood where she feels safer. Every month, welfare gives her money for rent, but it is not enough. In order to make the rent payments, Zeynep sacrifices her food budget by $130/month.*

Adapted from: Growing Opportunities, Shrinking Options, 2006

Many families on income assistance are unable to meet the most basic necessities of life.

Ending the Clawback: The Effect of the Restoration of the National Child Benefit

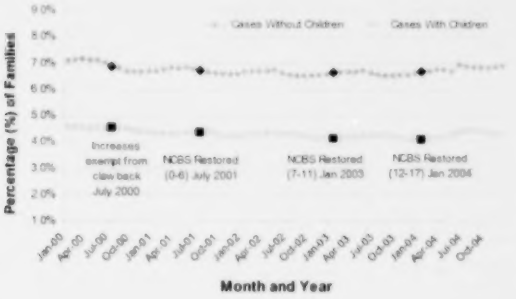
In Manitoba, the phasing out of the clawback of the National Child Benefit Supplement from families on social assistance occurred in four stages beginning in July, 2000 and ending in January, 2004 with complete restoration.

With more income in the hands of the poorest of families in Manitoba as a result of the restoration of the National Child Benefit Suppplement, the question could be raised whether requiring higher earned incomes to become ineligible for social assistance may lead to higher caseloads.

Figure 17 provides monthly caseload data between January 2000 and December 2004 for families with and without children to evaluate this hypothesis. First, it should be noted that, although there is significant seasonal variation, there is no evidence of a trend of increasing caseloads for either families with or without children.

Although growth may not have occurred, caseloads could be higher than they otherwise would be because of the ending of the clawback. If this were the case, one would expect a different pattern for the families with children, which benefit from withdrawal of various aspects of the clawback, when compared to families without children, which do not. The patterns should diverge at the various points at which aspects of the clawback are withdrawn. This divergence does not occur, and the patterns for families with and without children are amazingly similar. Therefore, there does not appear to be any evidence of the end of the clawback on social assistance caseloads.

Figure 17: Monthly Percentage of Families With and Without Children Receiving Social Assistance in Manitoba 2000-2004


Cases Without Children
Cases With Children
Percentage (%) of Families
Increases exempt from claw back July 2000
NCBS Restored (0-6) July 2001
NCBS Restored (7-11) Jan 2003
NCBS Restored (12-17) Jan 2004
Month and Year

Source: Calculations made by Social Planning Council of Winnipeg using data from Manitoba Family Services and Housing and Statistics Canada Annual Estimates for Census Families and Individuals (T1 Family File).

Towards Affordable Housing? The Manitoba Shelter Benefit Program

Announced in 2005, the Manitoba Shelter Benefit (MSB) finally came into effect in July, 2006. The MSB was announced as an integrated shelter benefit that would help make housing more affordable for low and moderate income Manitobans. The MSB is not a new benefit, but builds on the shelter allowance programs that were already in place, by combining and expanding the Shelter Allowance for Elderly Renters (SAFER) and Shelter Allowance for Family Renters (SAFFR) programs.

Like the old shelter allowance programs, eligibility for the MSB is targeted to those who rent their housing in the private market and spend more than 25% of their income on housing. People in subsidized/social housing, residential care facilities, etc. are not eligible for the benefit. Unlike the old programs, however, the MSB has been expanded to include people living with disabilities in addition to seniors and families with children. Further, people enrolled in the disability category of the Employment and Income Assistance (EIA) Program are now eligible for assistance in the form of a flat monthly benefit of $35 ($15 for room and board).

The MSB has its drawbacks. It does not provide assistance to some of those Manitobans who struggle to find affordable housing, such as single persons and families with children in receipt of EIA and those living in First Nations communities. Eligibility levels are set below the Pre-Tax Low Income Cut Offs and as a result; do not provide support to all families in need. It is also clear that the benefit will not address the lack of supply of affordable housing or improve the poor quality of housing that already exists.

Many families in Manitoba struggle to find safe, affordable, quality housing.

According to the 2001 Census:

- *In Winnipeg, 37.9% of renter households spend 30% or more of their income on shelter. In Manitoba, 37.1% of renter households pay 30% or more of their income on shelter.*
- *Winnipeg's housing stock is fairly old with nearly 40% of all dwellings built before 1960. Of Canada's largest urban centres, Winnipeg has the highest proportion of housing in need of major repairs. In 2001 25,465 dwellings were in need of major repair (9.4% of dwellings).*

RECOMMENDATIONS: Progress from 2005

In the 2005 Manitoba Child and Family Poverty Report Card, an agenda for a comprehensive anti-poverty strategy was outlined with recommendations for all three levels of government. Manitoba has made some progress since 2005 as Table 6 shows, however, there is much room for action and improvement.

Table 6: Province of Manitoba's Progress towards 2005 Manitoba Child and Family Poverty Report Card Recommendations

Recommendation	Progress
Employment and Income Assistance	
• Increase social assistance benefits immediately to at least the current value of 1992 levels and index them to increases in the cost of living	• No increase basic rates or shelter allowances and no indexation
• Increase the shelter allowance component to reflect median rental rates in the local market.	• No clawback on the Universal Child Care Benefit for families receiving Employment and Income Assistance
Transit	
• Increase funding to municipal public transportation services to expand service, lower user fees, and extend reduced fares to all people with low incomes.	• Some progress on funding for municipalities for public transit
Labour Market Security	
• Increase the minimum wage to a living wage of $10 per hour in a predictable fashion over the next three years, and index it to the annual rate of inflation.	• Minimum wages increased by $0.35 in 2006 to $7.60/hour and further scheduled increase to $8.00/hour in 2007. Not indexed to annual rate of inflation
• Establish living wage legislation to govern service contracting. This would legislate payment of a living wage as a criterion in selecting contractors.	• No legislation established
Affordable Housing	
• Implement the integrated portable shelter benefit announced in 2005 budget	• Manitoba Shelter Benefit Program implemented in 2006
• Improve the condition and support the creation of more social housing units and community based housing organizations in the production of housing	• No improvements to overall condition of social housing units
	• No social housing units created
Child Care	
• Eliminate $2.40 per child/day surcharge that centres are permitted to charge in addition to regular fees.	• $2.40/child/day surcharge not reduced
Income Supports	
• Convert the Child Related Income Supplement into an adequate income-tested subsidy for all low and moderate income families with children and coordinate it with the Canada Child Tax Benefit.	• Child Related Income Supplement (CRISP) not converted nor coordinated with Child Tax Benefit

Manitoba has made some progress, but there is much more to be done.

A Comprehensive Anti-Poverty Strategy: Putting the Pieces Together

We will continue to monitor progress at the municipal, provincial, and federal levels of government in 2006/07 on implementation of the following recommendations:

City of Winnipeg and other Municipalities:

1. Establish living wage by-laws to govern service contracting. This would legislate payment of a living wage as a criterion in selecting contractors.
2. Continue to participate with the federal and provincial governments in providing affordable housing by continuing to fund up to the allocated $17.5 million under the Affordable Housing Initiative until January 1, 2008 when the program expires.
3. Ensure recreation is universally and locally available to children in low income families. High quality, accessible recreation can protect children against some effects of poverty.
4. Extend reduced fare transit passes to all low income residents.

Province of Manitoba:

1. Employment and Income Assistance
   - Increase social assistance benefits immediately to at least the current value of 1992 levels and index them to increases in the cost of living
   - Increase the shelter allowance component to reflect median rental rates in the local market.
2. Transit
   - Increase funding to municipal public transportation services to expand service, lower user fees, and extend reduced fares to all people with low incomes.
3. Labour Market Security
   - Increase the minimum wage to a living wage of $10 per hour in a predictable fashion over the next three years, and index it to the annual rate of inflation.
   - Work in partnership with business and the non-profit sector to ensure the creation of good jobs at good wages.
   - Establish living wage legislation to govern service contracting. This would legislate payment of a living wage as a criterion in selecting contractors.
   - As recommended by the Manitoba Community Low Wage Inquiry Panel in their 2005 report, *Paid to be Poor*, revise the Employment Standards Code to include:
   - Widening coverage so that currently excluded workers, such as farm labourers and the self-employed are included.
     - ⇒ The regulation of working hours for part time employees, including the provision of guaranteed hours and adequate notice of change in hours.
     - ⇒ A requirement that employers provide a supportive environment suitable for all types of employees, including parents, single parents, and those with special needs and skills deficits.
     - ⇒ Increasing the use of company wide audits so that violations reported by an individual worker are investigated company wide.
     - ⇒ Instituting meaningful penalties for employment standards violations.
4. Affordable Housing
   - Improve the condition of current social housing units.
   - Support the creation of more social housing units.
   - Support community based housing organizations to produce housing.

Addressing poverty in Manitoba requires a comprehensive strategy.

5. Child care
    - Eliminate the $2.40 per child/day surcharge that centres are permitted to charge in addition to regular fees.
6. Income Supports
    - Convert the Child Related Income Supplement into an adequate income-tested subsidy for all low and moderate income families with children and coordinate it with the Canada Child Tax Benefit.

Government of Canada:

We support the recommendations of Campaign 2000 in the 2005 and 2006 National Child Poverty Report Cards, which can be viewed at www.campaign2000.ca. Their recommendations call for:

1. Good Jobs at Living Wages
    - Raise the minimum wage to a living wage of $10 an hour (indexed to inflation) in every province, territory and sectors of the labour force under federal jurisdiction.
    - Strengthen Canada Labour Code to cover precarious workers.
    - Address multi-dimensional labour market barriers of excluded groups.
    - Restore eligibility for Employment Insurance.
    - Establish living wage legislation to govern service contracting. These would legislate payment of a living wage as a criterion in selecting contractors.
2. Effective Child Income Benefits
    - Commit to consolidate current child benefits into a single program and increase child benefits a maximum of $5,000/child with assurance all low and modest income families retain full payment.

We need a government that not only envisions a future free of poverty, but one that has the will to make it a thing of the past.

3. A Universally Accessible System of Quality Early Childhood Education and Care
    - Create Pan-Canadian system of Early Learning and Child Care which is accessible, affordable, high quality.
    - $1.2 billion/year minimum expenditures to support existing child care agreements with provinces and territories with commitment to increase annually.
4. Significant Expansion of Affordable Housing
    - Commit $2 billion per year for new social housing as part of affordable housing strategy.
    - Renew and enhance homelessness program (SCPI) and housing rehabilitation (RRAP). Fund new energy conservation program for low income households.
5. Affordable and Accessible Post Secondary Education and Training
    - Create separate funding transfer for post-secondary education.
    - Increase student financial aid with higher proportion needs based grants.
6. Canada Social Transfer
    - Restore financing for the Canada Social Transfer to indexed 1995 levels and index to the annual inflation rate;
    - Reorganize the Canada Social Transfer into a post-secondary education transfer and social services/social assistance transfer; and
    - Develop goals, objectives and standards for the Canada Social transfer.
7. Aboriginal and First Nations
    - Federal and Manitoba Governments to collaborate with First Nations governments and Aboriginal organizations to address social and economic inequities and disparity and create opportunities for First Nations and Aboriginal children and youth.

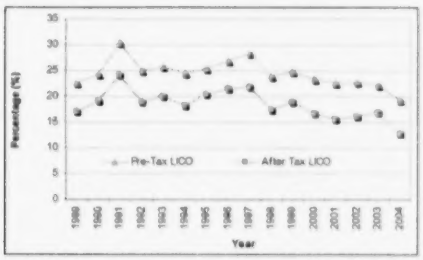
APPENDIX: MEASUREMENT OF POVERTY IN CANADA

While there are a number of poverty measures, Canada does not have an official poverty line. In the absence of a definition, discussions about poverty in Canada too often becomes a debate about how it is measured or understood.

The Low Income Cut Off is the measure most commonly used by those reporting on poverty in Canada. While Statistics Canada states that it is not a measure of poverty, but a measure of "straitened circumstances", they do note that it is a consistent way of identifying those who are "substantially worse off than average". Of all of Canada's poverty measures, the LICO is available to capture and report on long term trends. As well as its availability, the LICO is clearly recommended by the fact that those children below it are more likely to suffer the known health, mental health, educational, occupational and social effects of poverty than those above it.

This report uses the Statistics Canada Pre-Tax Low Income Cut-Off (LICO) as opposed to the After Tax LICO. The After Tax LICO shows a lower rate of child poverty than the Pre-Tax LICO and is commonly used to establish progress towards its elimination. It should be noted, however, regardless of which is used, the same trend is apparent as illustrated in the graph below.

Figure 18: Manitoba Child Poverty Rate: Comparison of Before Tax and After Tax Low Income Cut Offs, 1989-2004



However it is defined, the effects of poverty are very real.

According to Statistics Canada, "a LICO is an income threshold below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing than the average family. The approach is essentially to estimate an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing". A family spending 20 percentage points more than the average would be in "straitened circumstances".[11] There are thirty five low income cut offs in total, which vary by family and community size.

Table 7: Before Tax Low Income Cut Offs 2004 (1992 Base)

Family Size	Population Size of Community of Residence				
	500,000 +	100,000-499,999	30,000-99,999	Less than 30,000*	Rural
1	20,337	17,515	17,407	15,928	14,000
2	25,319	21,804	21,669	19,828	17,429
3	31,126	26,805	26,639	24,375	21,426
4	37,791	32,546	32,345	29,596	26,015
5	42,862	36,912	36,685	33,567	29,505
6	48,341	41,631	41,375	37,858	33,278
7+	53,821	46,350	46,065	42,150	37,050

ENDNOTES:

[1]Statistics Canada, *Aboriginal Population Profile, 2001*. Census family is defined by Statistics Canada as a married couple and the children, if any, of either or both spouses; a couple living common law and the children, if any, of either or both partners; or, a lone parent of any marital status with at least one child living in the same dwelling and that child or those children.

[2] Cindy Blackstock, Sarah Clarke, James Cullen, Jeffrey D'Hondt, and Jocelyn Formsma (April 2004). *Keeping the Promise: The Convention on the Rights of the Child and the Lived Experiences of First Nations Children and Youth* (April 2004). First Nations Caring Society of Canada.

[3] According to the Canada Mortgage and Housing Corporation, core housing need refers to households which are unable to afford shelter that meets adequacy, suitability, and affordability norms. The norms have been adjusted over time to reflect the housing expectations of Canadians. Affordability, one of the elements used to determine core housing need, is recognized as a maximum of 30 per cent of the household income spent on shelter.

[4] Winnipeg Census Metropolitan Area (CMA). A CMA is defined by Statistics Canada as an area consisting of one or more adjacent municipalities situated around a major urban core. To form a census metropolitan area, the urban core must have a population of at least 100,000.

[5] United Way of Winnipeg. *2003 Environmental Scan and Winnipeg Census Data.*

[6] Rate refers to the incidence of poverty.

[7] Gross Domestic Product (GDP) at basic prices equals GDP at market prices less the net of indirect taxes on products and services minus subsidies.

[8] Gross Domestic Product (GDP) at basic prices equals GDP at market prices less the net of indirect taxes on products and services minus subsidies.

[9] Source: Statistics Canada, CANSIM, table 281-0030 and Catalogue no. 72-002-X.

[10] Black, Errol and Jim Silver (2005). Manitoba's Minimum Wage? Be Realistic! *Fast Facts*, August 2005. Canadian Centre for Policy Alternatives.

Contact us for information on how to get involved.

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DATA SOURCES

Most data were calculated by the Canadian Council on Social Development for Campaign 2000 using Statistics Canada's Survey of Labour and Income Dynamics, Masterfile and Statistics Canada's *Income Trends in Canada 1980-2004*, Cat. 13F0022Xcb, 2006. Other sources can be found in the endnotes.

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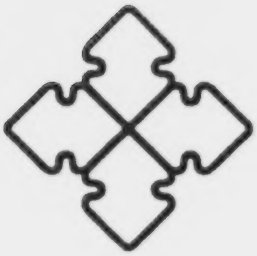

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